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**BEFORE THE ARIZONA POWER PLANT AND
TRANSMISSION LINE SITING COMMITTEE**

IN THE MATTER OF THE APPLICATION
OF SOUTHERN CALIFORNIA EDISON
COMPANY AND ITS ASSIGNEES IN
CONFORMANCE WITH THE
REQUIREMENTS OF ARIZONA REVISED
STATUTES SECTIONS 40-360.03 AND 40-
360.06 FOR A CERTIFICATE OF
ENVIRONMENTAL COMPATIBILITY
AUTHORIZING CONSTRUCTION OF A
500KV ALTERNATING CURRENT
TRANSMISSION LINE AND RELATED
FACILITIES IN MARICOPA AND LA PAZ
COUNTIES IN ARIZONA ORIGINATING
AT THE HARQUAHALA GENERATING
STATION SWITCHYARD IN WESTERN
MARICOPA COUNTY AND
TERMINATING AT THE DEVERS
SUBSTATION IN RIVERSIDE COUNTY,
CALIFORNIA

DOCKET NO. L-00000A-06-0295-00130

Case No. 130

**JOINT MEMORANDUM OF SUPPORT
FOR ARIZONA CORPORATION
COMMISSION STAFF
RECOMMENDATIONS**

Harquahala Valley Irrigation District and Harquahala Power District, Interveners in this matter, do hereby file this Memorandum in Support of Staff's recommendations.

Harquahala Valley Power District is a public entity serving power to 81 customers located within the boundaries of the District, which are generally located in Harquahala Valley. Harquahala Valley Power District has supply contracts with both the Arizona Power Authority and Arizona Public Service Company. Harquahala Valley Irrigation District has an Aquifer Protection Agreement with Harquahala Generating Company which limits the amount of groundwater the generating company can pump to cool its generating units.

These Districts strongly urge the Arizona Power Plant and Transmission Line Siting Committee ("Committee") to include various points made by the Arizona Corporation Commission Staff as conditions of any Certificate of Environmental Compatibility that may be issued in the docket, as follows:

1. The DPV2 Line shall terminate at the new Harquahala Junction Switchyard. The Harquahala Junction Switchyard to Hassayampa Switchyard 500kv Line shall be jointly owned by Southern Cal Edison and "Palo Verde to TS 5 transmission participants."
2. Arizona Public Service Company shall have operational control of the Harquahala Junction Switchyard, the Harquahala Switchyard to Hassayampa Switchyard Transmission Line, and the Harquahala Switchyard Termination of both the DPV2 Transmission Line and the Harquahala Power Plant Line.
3. The control area of CAISO, and its attendant tariffs and other incidents of jurisdiction and control, should be limited to areas within the State of California, leaving open the

ability for the construction of a future switchyard connection on DPV2 between Harquahala Junction Switchyard and the Colorado River.

In addition to the above, these Districts support the inclusion of language in the certificate that would move the "tariff free" and other conditions to the substation described in Paragraph 3 above when and if that substation is built.

These Districts believe that the above provided conditions and protections for Arizona utilities and their ratepayers are necessary in light of, and to offset the fact that, as demonstrated by overwhelming evidence in this proceeding, consumers in California will benefit vastly more from DPV2 than consumers in Arizona. These proposed conditions will help ensure that DPV2 can provide future benefits to Arizona consumers. For example, a future switchyard in Arizona at the Colorado River would facilitate transmission of future wind and/or solar generation energy from Mohave County to benefit customers in more populous areas of Arizona. Future interconnections of existing and planned Arizona transmission systems at such a switchyard east of the Colorado River would strengthen electric reliability of those Arizona systems and expand access for Arizona customers to broader generation resources and markets.

We further concur with Staff's recommendation that the Harquahala to Hassayampa 500kv line be tariff free. As pointed out by the Central Arizona Water Conservation District witness Mr. Ken Bagley, this would provide benefits by taking advantage of seasonal diversity, facilitate expansion of the hub and increase market liquidity.

WHEREFORE, these Districts believe that any Certificate of Environmental Compatibility issued by the Committee in this case should include these elements as conditions, in order that the

consumers of electricity in Arizona will not be adversely affected by the construction of DPV2, and that future benefits will accrue to Arizona through increased access to future resources, increased system reliability, and improved market liquidity to better meet future Arizona demands not now fully developed.

Respectfully submitted this 25th day of October, 2006.

MOYES STOREY, LTD.


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and

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By


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Copy sent same date by email to
all counsel and parties of record.

